

Tuesday, October 29, 2013

MEMORANDUM

To: Mark Gorman – CBS Administrator
From: Garry White, Director
Subject: Barnard Construction Company Lease Extension

Introduction

In November 2012, the CBS and Barnard Construction entered into a one year agreement to lease office space and property at the SCIP. The lease terms expire on November 20, 2013.

Barnard wishes to extend the lease an additional year, ending November 2014.

Background

Barnard Construction currently leases the following properties at the SCIP:

1. Administration Building office space for project management and administration. Term - 1 year with anticipated extension for another year. Estimated time of lease 2 years. Lease executed – 11/20/2012
 - a. Room 104 – 893 SF @ \$1.00/SF = \$893 per month - \$10,716 annually
 - b. Room 113 – 365 SF @ \$1.00/SF = \$365 per month - \$4,380 annually
 - c. Room 115 – 180 SF @ \$1.00/SF = \$180 per month - \$2,160 annually
 - d. Room 117 – 180 SF @ \$1.00/SF = \$180 per month - \$2,160 annually
 - e. Room 118 – 180 SF @ \$1.00/SF = \$180 per month - \$2,160 annually
 - f. Room 119 – 240 SF @ \$1.00/SF = \$240 per month – \$2,880 annually
 - g. Room 122 – 240 SF @ \$1.00/SF = \$240 per month - \$2,880 annually
 - h. Room 123 – 180 SF @ \$1.00/SF = \$180 per month - \$2,160 annually
 - i. Room 126 – 360 SF @ \$1.00/SF = \$360 per month - \$4,320 annually
 - j. Room 128 – 240 SF @ \$1.00/SF = \$240 per month – \$2,880 annually
 - k. Portion Rm 134 – 133 SF @ \$1/SF = \$133 per mth - \$1,596 annuallyTotal = \$3,191 per month – \$38,292 annually

*Additionally Room 116 is lease on a short term separate month to month lease. (Room 116 was not available to lease until July 1, 2013)

Room 116 – 180 SF @ \$1.00/SF = \$180 per month - \$2,160 annually

2. Raw Property leases for material and equipment storage, concrete batch plant, and house trailers for housing. Term - 1 year with anticipated extension for

another year. Estimated time of lease 2 years. Estimated lease execution – 11/20/2012

- a. Lot 9C – 34,636 SF @ \$0.36/SF/YR = \$12,468.96 annually
- b. Lot 12A – 117,608 SF @ \$0.36/SF/YR = \$42,338.88 annually
- c. Lot 13 – 20,810 SF @ \$0.36/SF/YR = \$7,491.60 annually
- d. Lot 15 – 113,369 SF @ \$0.36/SF/YR = \$40,812.84 annually

Total = \$103,112.28 annually

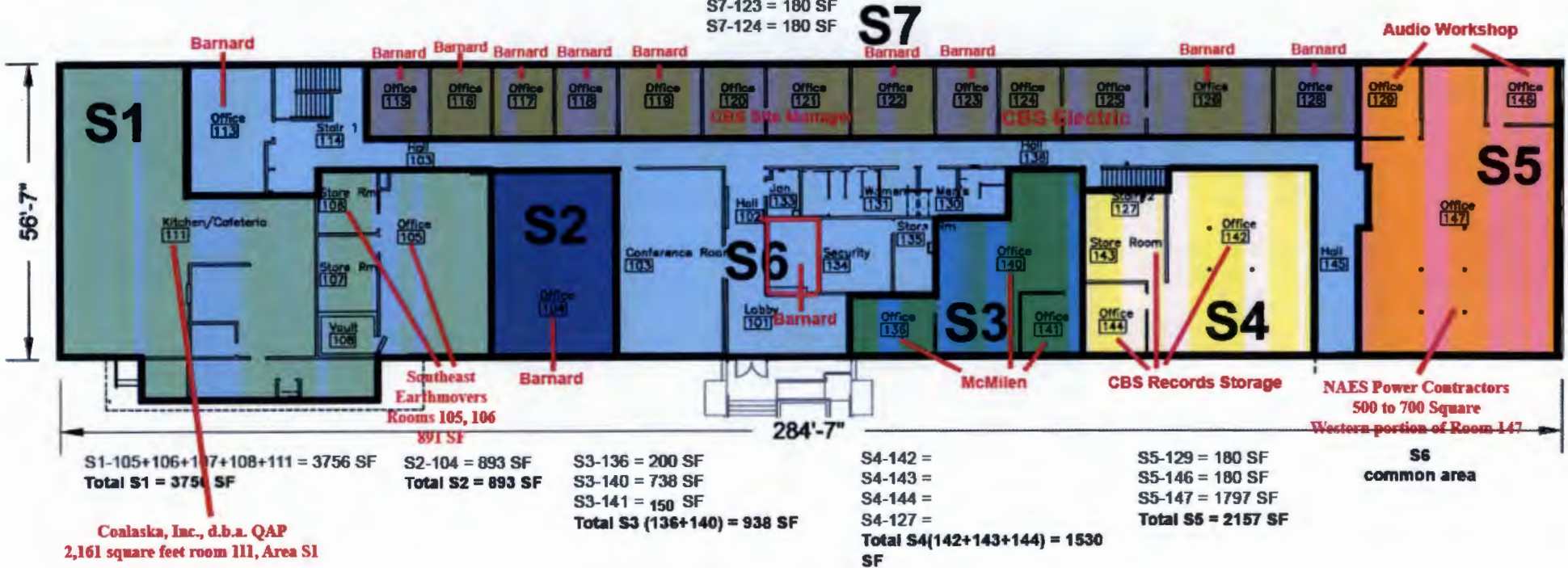
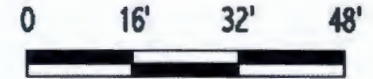
Total lease extension request = \$141,404.28 annually (not including Room 116)

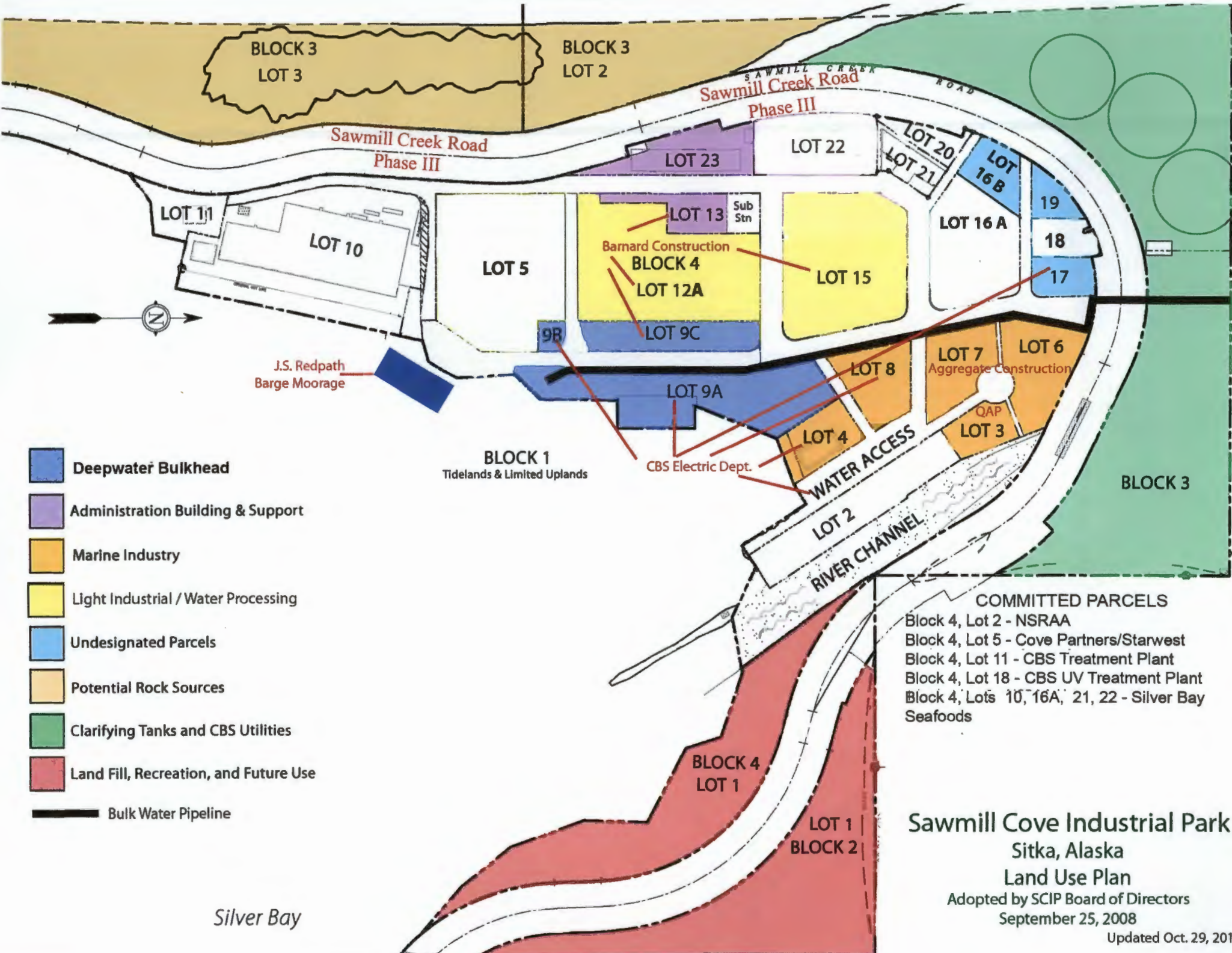
Recommendation

The SCIP Board of Directors recommends that the CBS Assembly extend the current leases between Barnard Construction and the CBS until the end of November 2014.

Administration Building 2nd Floor

S7-115 = 180 SF
 S7-116 = 180 SF
 S7-117 = 180 SF
 S7-118 = 180 SF
 S7-119 = 240 SF
 S7-120 = 180 SF
 S7-121 = 240 SF
 S7-122 = 240 SF
 S7-123 = 180 SF
 S7-124 = 180 SF
 S7-125 = 240 SF
 S7-126 = 360 SF
 S7-128 = 240 SF
Total S7 = 2820 SF





Sawmill Cove Industrial Park
 Sitka, Alaska
 Land Use Plan
 Adopted by SCIP Board of Directors
 September 25, 2008
 Updated Oct. 29, 2013

**AMENDMENT NO. 2 TO LEASE AGREEMENT
BETWEEN CITY AND BOROUGH OF SITKA AND
BARNARD CONSTRUCTION COMPANY, INC. (GROUND LEASE)**

City and Borough of Sitka ("Sitka" or "Lessor"), 100 Lincoln Street, Sitka, Alaska 99835, and Barnard Construction Company, Inc., 4600 Sawmill Creek Road, Suite 134, Sitka, Alaska 99835 ("Lessee"), agree to amend and modify the Lease Agreement Between the City and Borough of Sitka and Barnard Construction Company, Inc. (Ground Lease) dated November 20, 2012 and its amendments ("Amendment No. 2). This Amendment No. 2 was approved by the Sawmill Cove Board of Directors on October 28, 2013 and amends Section 1.1 by adding the following provisions (new language underlined; deleted language stricken):

Section 1.1 Conveyance of Estate in Lease.

Lessor, for and in consideration of the covenants and agreements made by Lessee, does lease to Lessee, and Lessee leases from Lessor, the Subject Property or Premises as shown on Exhibit A, for storage of equipment and materials and for an asphalt plant. Subject Property is a portion of Block 4 totaling 286,423 square feet described as follows: Lot 9C consisting of 34,636 square feet; Lot 12A consisting of 117,608 square feet; Lot 13 consisting of 20,810 square feet and Lot 15 consisting of 113,369 square feet. The Term is for 1 year, and commences on the 20th day of November, 2013~~2012~~. ~~There is an option to extend the Lease Agreement for one year, if mutually agreed to by the Parties.~~

All other provisions in the Ground Lease Agreement that are not modified by this Amendment No. 1 remain in full force and effect.

**BARNARD CONSTRUCTION COMPANY,
INC.**

CITY AND BOROUGH OF SITKA

Clifton Stump, Project Manager

Mark Gorman, Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

On this ____ day of _____, 2013, Clifton Stump, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, signs this Lease Agreement on behalf of ~~Barnard~~ Construction Company and affirms by signing this document to be authorized to sign on behalf of the Barnard Construction Company and does so freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

On this ____ day of _____, 2013, Mark Gorman, Municipal Administrator of the City and Borough of Sitka, Alaska, a municipal corporation organized under the laws of the State of Alaska, signs this Lease Agreement on its behalf, and affirms by signing this document to be authorized to sign on its behalf, and does so freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____